

Message Text

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22-11

ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 COME-00 OMB-01 TRSE-00

FRB-03 AGR-05 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 /078 R

DRAFTED BY NEA/EGY:GGBROWN:PM

APPROVED BY NEA/EGY:HFMATTHEWS

----- 060131

R 162129Z DEC 75

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO

C O N F I D E N T I A L STATE 296231

E.O. 11652: GDS

TAGS: EGEN, EG

SUBJECT: EGYPTIAN BALANCE OF PAYMENTS PROJECTIONS

REF: CAIRO 12565

1. DEPT APPRECIATES INFO PROVIDED IN REFTEL. BELOW ARE
THE BALANCE OF PAYMENTS PROJECTIONS WE HAVE MADE FOR THE
NEXT TWO YEARS WHICH SEEM TO MATCH THE EMBASSY'S ESTIMATES.
THERE SEEMS TO BE ONLY A 10 PERCENT VARIATION AND THIS IS
PROBABLY DUE TO THE INCLUSION OF THE BARTER AS WELL AS
HARD CURRENCY TRANSACTIONS IN OUR ESTIMATES. WE WELCOME
THE EMBASSY'S COMMENTS.

	1973	1974	1975	1976	1977
(DOLS BILLIONS)	ACTUAL	ACTUAL	EST.	PROJ.	PROJ.

REQUIREMENTS:

IMPORTS:	1.6	3.1	4.9	5.6	6.3
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HARD CURRENCY	(1.0)	(2.5)	(3.9)	(4.6)	(5.3)
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BARTER	(.6)	(.6)	(1.0)	(1.0)	(1.0)
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SERVICE PAYMENTS:	.4	.5	.6	.4	.5
SOVIET DEBT:	-	.1	.1	.4	.4
CAPITAL REPAYMENTS:	.4	.6	.6	.6	.6
TOTAL	2.4	4.3	6.2	7.0	7.8
	1973	1974	1975	1976	1977
	ACTUAL	ACTUAL	EST.	PROJ.	PROJ.

FINANCING:

EXPORTS:	1.3	1.5	1.3	1.4	1.6
HARD CURRENCY	(.3)	(.6)	(.5)	(.5)	(.6)
BARTER	(1.0)	(.9)	(.8)	(.9)	(1.0)
SERVICE RECEIPTS					
(TOURISM):	.4	.7	.7	.7	.9
SUEZ EARNINGS:	-	-	.1	.3	.4
OIL EARNINGS:	-	-	-	.5	.8

OTHER DONORS:

ARAB	.6	1.2	2.1	2.1	2.1
EEC/JAPAN	-	-	.3	.3	.3
INTERNATIONAL					
ORGANIZATIONS	-	-	.3	.3	.3
SOVIET/CHINA/E.EUROPE	-	-	.1	.2	.2

FOREIGN PRIVATE

INVESTMENT	-	.2	.2	.3	.4
SHORT TERM BORROWING	-	.4	.6	.4	0
PRIVATE IMPORT FUNDING	-	.1	.1	.1	.1
U.S. ASSISTANCE					
(SA AND PL-480					
PROGRAM LEVEL)	-	.1	.3	.5	.7

TOTAL:	2.3	4.2	6.1	7.0	7.8
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ASSUMPTIONS:

A. 1975 IMPORT ESTIMATES ARE BASED ON IBRD AND EGYPTIAN FOREIGN EXCHANGE BUDGET STATISTICS. PROJECTIONS FOR 1976 AND 1977 ARE BASED UPON 5 PERCENT GROWTH (REQUIRING A 5 CONFIDENTIAL

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PERCENT INCREASE IN CONSUMER GOODS AND AN ESTIMATED 20 PERCENT INCREASE IN CAPITAL GOODS) AND 6 - 9 PERCENT INFLATION.

B. EGYPT WILL PAY ITS SOVIET MILITARY DEBT BY SHIFTING FROM HARD CURRENCY TO BARTER TRADE.

C. WESTERN ECONOMIES WILL RECOVER FROM RECESSION.

D. OIL WILL BRING IN 1 MILLION BARRELS/DAY BY 1980.

E. ARAB AID WILL CONTINUE AT APPROXIMATELY PRESENT
PLEDGED LEVELS.

2. WE WILL TRY TO PROVIDE AS SOON AS WE ARE ABLE TO
OBTAIN THEM THE IMF STATISTICS THEY RECEIVED DURING
THEIR LAST CONSULTATION.

INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS, ECONOMIC ESTIMATES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE296231
Document Source: CORE
Document Unique ID: 00
Drafter: GGBROWN:PM
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750438-0177
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751238/aaaabhox.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 CAIRO 12565
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 05 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 AUG 2003 by WorrelSW>; APPROVED <24 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EGYPTIAN BALANCE OF PAYMENTS PROJECTIONS
TAGS: EGEN, EG
To: CAIRO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006